

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Finance Department- Acceptance of the proposal of ASCI for development of framework for Public Private Partnership (PPP) in Infrastructure and guidelines for effective implementation of PPP Projects in Andhra Pradesh – Administrative approval - Orders- Issued.

FINANCE (OP-II) DEPARTMENT

G.O.RT.No. 2697

Dated.12.11.2014,
Read the following:-

1. G.O.Ms.No.187, Finance (OP-I) Department, dt.09-09-2014.
2. ASCI's proposal dt. 24.09.2014 from Director – Urban Governance, Infrastructure, Environment and Energy, ASCI, Hyderabad.

ORDER:

In pursuance of the orders 1st read above, Government has constituted a Committee of Secretaries under the Chairmanship of Special Chief Secretary (Tourism) to study all aspects of Public Private Partnership (PPP) Projects, Annuity projects and Swiss Challenge projects and also formulate a comprehensive policy and implementation guidelines for effective implementation of such projects. In the preliminary meeting held on 18-09-2014, the Committee of Secretaries has recommended to appoint ASCI or ISB to come out with comprehensive draft PPP guidelines for processing of PPP Projects, Swiss Challenge Projects and Annuity Projects. With reference to discussions held on 22-09-2014 with ASCI, several departments of GoAP have been looking at developing projects through PPP route in view of capital and capacity constraints. It is desirable to have a framework for PPP and guidelines emanating there from which can help selection, appraisal, implementation and monitoring of PPP Projects.

2. ASCI, Hyderabad has submitted a proposal to support the Government of Andhra Pradesh in developing a framework and guidelines for PPPs in a phased manner. The Terms of reference of the proposal are as under

a) The study will be undertaken in phases

Phase-1: **PPP frame work.**

1. Review of current legal, policy and regulatory framework for PPP in Infrastructure in A.P. APIDE Act, GFR, Procurement Guidelines, Sectoral Policies limited to core sectors.
2. Review national and state level PPP frameworks and observations made by eminent institutions (CAG, CVC, Judiciary etc).
3. Review guidelines and manuals prepared by national and international institutions (World Bank, ADB, PPIAF, IFC, UNDP etc) and lessons learnt.
4. Recommend a robust PPP framework for Government of A.P.- scope and definition of PPP, eligible sectors, PPP models, institutional arrangements, role and responsibilities, project development cycle, procurement processes, approval and appraisal system, financing including state support and capacity building.
5. Consultations with line departments and high level committee.
6. Finalize PPP framework following the consultation.

Deliverable: Framework for Infrastructure PPPs in Andhra Pradesh

Phase-2: **PPP guidelines.**

1. Develop PPP guidelines and manuals covering project development and procurement process (consultant, developer, IE etc), appraisal mechanism, approval mechanism, monitoring and evaluation systems.
2. Capacity building needs assessment.
3. Consultations with line departments and high level committee.

Deliverable: PPP Guidelines and manuals.

- b) Duration :
 - a. Phase-1: Ten working Days.
 - b. Phase-2: Two Months.

- c) Proposed ASCI Team :

Member	Expertize
Prof. V. Srinivas Chary	PPP Expert
Prof. Usha Ramachandra	Energy sector and PPP Expert
Dushyant Mahadik	Finance Expert
Dipesh Dipu	PPP Expert, Team Leader

- d) **Budget – Phase-1 for PPP Framework**

Following are the details of estimated budget.

Sl. No.	Particulars	Unit Rate (in INR)	Amount in INR
1.	Professional Fees	Lump sum	3,00,000
2.	Research Associate & Support Staff Cost	Lump sum	90,000
3.	Stationary	Lump sum	10,000
4.	Communication and local travel	Lump sum	30,000
	Sub Total		4,30,000
	Overheads @ 10%		43,000
	Total Budget		4,73,000

The aforementioned professional fee does not include applicable taxes which shall be invoiced at the rates prevailing at the time of raising the bills (12.36% as of now).

Payment Schedule:

Sl. No.	Stage / Deliverable	% of Payment
1.	Mobilization Advance (On acceptance of proposal)	30%
2.	Submission of Draft Framework for PPP in Infrastructure	50%
3.	Submission of Final Framework for PPP in Infrastructure	20%

- e) **Budget – Phase-2 PPP Guidelines & Manuals**

Following are the details of estimated budget.

Sl. No.	Particulars	Unit Rate (in INR)	Amount in INR
1.	Professional Fees	Lump sum	10,20,000
2.	Research Associate & Support Staff Cost	Lump sum	75,000
3.	Stationary	Lump sum	15,000
4.	Communication and local travel	Lump sum	3,00,000
	Sub Total		14,10,000
	Overheads @ 10%		1,41000
	Total Budget		15,51,000

The aforementioned professional fee does not include applicable taxes which shall be invoiced at the rates prevailing at the time of raising the bills (12.36% as of now).

Payment Schedule:

Sl. No.	Stage / Deliverable	% of Payment
1.	On the ‘Go-Ahead’ for Commencement of second phase	30%
2.	Submission of Draft Guidelines and Manuals for PPP in Infrastructure	50%
3.	Submission of Final Guidelines and Manuals for PPP in Infrastructure	20%

3. An amount of Rs.20,24,000/- (excluding taxes on professional fee) is to be required for payment of ASCI, Hyderabad towards 'development of framework and guidelines of PPP Projects', as detailed below.

- Phase-1: Estimated Budget Rs. 4,73,000
- Phase-2: Estimated Budget Rs. 15,51,000
- Total Budget: Rs. 20,24,000

(Rupees Twenty lakhs and twenty four thousand only)

- The Total Budget does not include applicable taxes which shall be invoiced at the rates prevailing at the time of raising the bills (12.36% as of now).

4. The expenditure shall be debited under the following head of account:

“2052-Secretariat General Services –
MH – 090 Secretariat –
SH (06) Finance Department
300 – Other Contractual Services.

5. Govt., after careful examination, is hereby agreed with proposal for developing framework and guidelines of PPP Projects and also accorded to sanction an amount of Rs.20,24,000/- (Rupees twenty lakhs and twenty four thousand only), plus applicable taxes in professional fee towards 'development of framework and guidelines of PPP Projects', as detailed below.

- Phase-1: Estimated Budget Rs. 4,73,000
- Phase-2: Estimated Budget Rs. 15,51,000
- Total Budget: Rs. 20,24,000

(Rupees Twenty lakhs and twenty four thousand only)

- The Total Budget does not include applicable taxes which shall be invoiced at the rates prevailing at the time of raising the bills (12.36% as of now).

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. P.V. RAMESH
PRINCIPAL SECRETARY TO GOVERNMENT (R&E)

To
The Special Chief Secretary, YAT & C Department,
The Principal Secretary, Transport, Roads & Buildings Department,
The Principal Secretary, PR & RD Department
The Principal Secretary, Irrigation Department
The Principal Secretary, Infrastructure & Investment Department,
The Director – Urban Governance, Infrastructure, Environment and Energy, ASCI, Hyderabad.
The P.A.O., A.P., Hyderabad
Copy to:
The Principal Secretary to Chief Minister,
Private Secretary to Chief Secretary/ PFS/PFS (R&E)/Secy. (B&IF).
PPP Cell, Finance Department.
The AGAP., Hyderabad.

//FORWARDED::BY ORDER//

SECTION OFFICER